

MINUTES OF THE SPECIAL MEETING OF THE TRINIDAD CITY COUNCIL
MONDAY, FEBRUARY 02, 2015

I. CALL TO ORDER

- Mayor Fulkerson called the meeting to order at 6:00PM. Council members in attendance: Miller, West, Fulkerson, Baker.
- City Staff in attendance: City Manager Dan Berman, City Clerk Gabriel Adams

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION (*Scheduled for AFTER regular session*)

1. Real Property Negotiations Pursuant to Government Code Section 54956.8 Agency Negotiators, City Manager and City Attorney. Topic: Price and terms for property owned by Bob Crittenden adjacent to the Trinidad Water Treatment Plant, APNs: 515-121-18 and 515-121-34
2. Discussion regarding Active Litigation in the case of Tsurai Ancestral Society vs City of Trinidad; Pursuant to Government Code section 54956.9(b) and/or section 54956.95.
3. Discussion regarding threatened litigation related to the Wagner Street Trail per Government Code section 54956.9 (b)

IV. RECONVENE TO OPEN SESSION – *No report out.*

V. APPROVAL OF AGENDA

Motion (Miller/West) to approve the agenda as written. Passed 4-0.

VI. APPROVAL OF MINUTES – *No minutes to approve*

VII. COMMISSIONERS REPORTS

Miller: RCEA held an introduction/informational meeting for new members.

West: Nothing to report.

Fulkerson: Nothing to report.

Baker: Participated in the Clam Beach Run last weekend.

City Manager Berman: Highlighted and announced various updates, including:

- Introduced HSU Intern Alex Corriea who will be working with City through April.
- Announced upcoming budget visioning session/meeting in March.

VII: PROCLAMATIONS & ANNOUNCEMENTS

1. Engineer's Week, February 22nd through 28th, 2015

Mayor Fulkerson read the proclamation. Jordan King from Greenway Partners represented ASCE and highlighted various engineer related projects in Trinidad such as the Stormwater Project and Infrastructure report cards. Also described The Link building, located at 8th and N Street in Arcata where Greenway Partners campus is located.

VIII. ITEMS FROM THE FLOOR

Pat Morales – Trinidad

Concerned with the implementation of the OWTS program, specifically the performance rating process, the questionnaire, and why it's taking so long to send out applications to the rest of the City. She claimed that her rating was satisfactory instead of good, mainly because she refused to answer questions that may violate HIPA medical act. The City has so many rules with no one to enforce them.

IX. CONSENT AGENDA

1. Financial Status Reports for December 2014.
 2. MOU Between the City and the BLM as Cooperating Agencies Regarding the Management Planning Process for the Trinidad Head Light Station Property.
- Motion (Miller/Baker) to approve the consent agenda as submitted. Passed 4-0.*

X. DISCUSSION AGENDA

1. Discussion/Decision regarding Appointment of Dave Winnett as Councilmember.
City Clerk Adams explained that one letter of interest was submitted by Underwood Drive resident Dave Winnett to fill the vacant seat. It has been confirmed that Winnett is eligible to serve the remaining term through December 2018. If appointed tonight, the oath of office will be administered and Winnett could immediately assume the position.

Councilmember Miller explained that he encouraged Winnett, thought he would be a great asset to the Council, and was very happy to see him willing to serve. Miller thanked Winnett for signing up. Mayor Fulkerson agreed.

There was no public comment.

*Motion (Miller/Baker) to appoint resident Dave Winnett to serve as Councilmember through term ending December 2018. **Passed 4-0.***

2. Discussion/Decision regarding Councilmember Committee Assignments.

Mayor Fulkerson explained that Councilmembers serve as City representatives to numerous committees and agencies within the county. At any time the Council may choose to assign or re-assign positions, but it is customary to assign them as soon as possible after each regular election.

The chart below represents the assignments as discussed by the Council in open session.

There was no public comment regarding this discussion item.

*Motion (West/Baker) to approve the assignments as designated in the list below. **Passed unanimously.***

COMMITTEE	REP	ALT
Humboldt Waste Management Authority HWMA	Miller	West
Humboldt County Association of Governments HCAOG	West	Miller
Tsurai Management Plan Implementation Committee	West, Baker	Miller
Redwood Regional Economic Development Corp. RREDC	Fulkerson	Baker
HTA Humboldt Transit Authority HTA	Fulkerson	West
Redwood Coast Energy Authority RCEA	Miller	Baker
BLM Gateway Committee	Miller	City Manager
Humboldt County Convention & Visitors Bureau HCCVB	Winnett	Miller
Library, Museum, Park Committee	Baker, West	Miller
Office of Emergency Services OES	Baker	West
Hazardous Materials Response Authority HMRA	Baker	West
Indian Gaming Benefit Committee	Miller	West
Humboldt Mayors Committee	Fulkerson	
Local Law Enforcement Committee	Baker	
Trinidad Rancheria Liaison	Fulkerson, West	
League of CA Cities	As Needed	

3. Consider Acceptance of 2013-2014 Financial Report and Audit, and Consider Authorizing the City Manager to Execute the 2014-2015 Engagement Letter.

City Manager Berman explained that the firm of Marcello and Company, Certified Public Accountants, has performed the fiscal and management audit for the City of Trinidad for the past several years. The principal in the firm, Ralph Marcello, CPA, has personally performed these audits and is keenly aware of the City's practices and finances.

The 2014 Financial Report finds that the city conformed with generally accepted accounting principles, and the financial statements are a fair and accurate representation of our financial position and activities over the prior year, and no audit findings or exceptions were identified. This is a clean audit report.

The City's General Fund and Water Fund both improved in their net positions during the course of this audit year. The General Fund improved by approximately \$116,000, with expenses about 10% under budget, and revenues almost 15% over budget. As recently reported County-wide, 2013-14 was a banner year for visitors to our County, and for Trinidad our Transient Occupancy Tax was significantly higher than budgeted, totaling \$130,000, almost 40% over the \$93,000 budgeted. \$10,000 was transferred to capital reserves for the Fire Department. Last year's surplus helped the City address some needed maintenance in the current year's budget, including the re-roofing and building addition for the fire department, and the re-roofing of Town Hall.

The Water Fund improved by \$88,000 due largely to lower than expected expenses. Significant state grant funding helped offset personnel expenses (some staff time was eligible to charge to the grant), as well as water plant equipment and repair expenses. A significant amount is budgeted for water line repairs and maintenance each year, and actual expenses were luckily low in this line item last year, although this can change quickly with a few major leaks. Water sale revenue was very close to budgeted expectations. A \$15,000 transfer to water capital reserves was made in the audit year as was planned for in the adopted budget.

The Cemetery Fund broke even for the year.

Mr. Marcello is again willing to perform the audit for FY2014-15, and his proposed engagement letter is included for your consideration. Due to Mr. Marcello's knowledge of the city's financial practices and methods, he requires minimal support from the city's limited staff to support his audit efforts. His fees are unchanged from last year, and continue to include a 10% fee reduction based on his familiarity with our finances, and clean audit results to date.

There was no public comment.

The Council expressed appreciation for the Auditors familiarity and history working with the City, as well as acknowledged their appreciation for the 10% fee reduction.

*Motion (Miller/West) to; 1) Accept the FY2013-14 Annual Financial Report and Audit, and 2) Authorize the City Manager to execute an Audit Engagement Letter to perform the FY2013-14 audit for \$16,200, prepare the draft financials for \$1,800 and reimburse for out of pocket costs at \$900. **Passed unanimously.***

4. Presentation/Report on Mid-Year Budget Status.

City Manager Berman presented various slides and charts illustrating the city's funds, expenses relative to revenues as reported by the city's bookkeeping firm, and in summary explained that the City's financial position is on track for a possible surplus at the end of this fiscal year ending June 30, 2015.

There were no comments from the Council or public.

Presentation item only. No decision was made.

5. Update/Discussion regarding Vacation Dwelling Unit Ordinance

City Manager Berman explained that in the meeting packet for discussion tonight is the draft VDU application packet that will be sent to all VDU owners and managers in anticipation of the Coastal Commission's approval of

the new City ordinance. All owners/operators will be required to comply with the new ordinance, and will be asked to submit an application in advance of the July 01 renewal date for licenses currently in effect. The packet includes a cover letter explaining that this is only a draft, and as soon as the Commission issues final approval, the City will send the final version with the submission deadline of June 30.

Council comment included:

Baker: Who will be reviewing the applications? **Berman** explained that the Clerk will review for licensing details, but the City Planner will review for consistency/compliance with the Ordinance.

Winnett: Shouldn't this be determined first? The consequences to applicants are too big for the city to not get it right the first time. **Berman** agreed to do some homework and determine how best to handle applications.

Fulkerson: We should add a note to the letter that this is the product of over 4 years of work and countless hearings.

Public comment included:

Tom Davies – 435 Ocean Ave. Trinidad

The ordinance addresses vacation rental issues from a complaint driven process. A plot plan should be submitted so the City can respond to problems as they arise. Enforcement will be difficult.

Kathleen Lake – 435 Ocean Ave. Trinidad

This is intended to be a work in progress. It is a good start, but the ordinance will need periodic review.

CM Note: Wednesday at 10:00am the city will host a League of CA cities webinar presentation featuring how other cities are dealing with the rise of the vacation rental industry.

No decision was made. The draft application will be sent as soon as possible to alert owners/operators of the process to prepare for as soon as the Coastal Commission renders their decision.

6. Discussion/Decision regarding consideration of sponsorship donation to upcoming Storm Gathering Sea Kayak Symposium Event.

City Manager Berman explained that a three day international sea kayak symposium will occur centered in Trinidad on March 6-8th. The organizers are requesting that the City consider being a sponsor of the event, for which we would have our City logo on the event promotional materials (t-shirt, website, posters, etc.)

The event will use the Town Hall facilities over three days, with a total cost of approximately \$700. They have requested the City consider a partial or total waiver of those fees. Staff requested input from our auditor, as the City is prohibited from making a 'gift of public funds' to anyone. His response was that event sponsorship is clearly allowed for promotional purposes; the question he posed is whether the City truly needs/benefits from the promotional value we would receive. He also said rather than waiving fees, if the City wants to be a sponsor, we should charge our regular Town Hall fees, and cut a separate sponsorship check to keep clearer financial records of the decision.

Staff feels that sea kayaking is a real niche tourism market, and Trinidad is an incredible setting for it, so helping spread our City name in that community could be valuable. However there is a slippery slope argument where we are opening the door to sponsoring commercial events. Staff is neutral on this proposition, but wanted to bring it to the council for consideration. A recent communication from the event organizers is included in the packet for context, and they have been invited to attend the meeting.

Public comment included:

Tom Davies – Trinidad

The City should not take on sponsorship roles. This is an opportunity better suited for the Humboldt Lodging Alliance funds, or for the Chamber of Commerce.

Council comment included:

West, Miller, Winnett, and Baker all agreed that although this was a very exciting event for the City of Trinidad to host, the City should NOT take on sponsorship roles. However, they recommended that the Storm Gathering

seek support from the Chamber of Commerce, an organization much more suitable for providing assistance to events of this type. *No formal decision was made.*

REQUEST FOR FUTURE AGENDA ITEMS

1. Water System Capital Improvement Plan.
2. VDU Cap Discussion
3. Goal Setting Session for 2015-2016

The Council ADJOURNED TO CLOSED SESSION.

XIII. ADJOURNMENT

- **Open Meeting ended at 8:05pm.**

Submitted by:

Approved by:

Gabriel Adams
City Clerk

Julie Fulkerson
Mayor